

May 10, 2011

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *High-Cost Universal Service Support*, WC Docket 05-337; *Rural Health Care Universal Service Support Mechanism*, WC Docket No. 02-60; *Universal Service Reform Mobility Fund*, WT Docket No. 10-208; *Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link-Up*, WC Docket No. 03-109

Dear Ms. Dortch:

On May 9, 2011, Megan Delany, Vice President, Federal Governmental Affairs & Counsel, Christopher Niernan, Director, Federal Regulatory Affairs, both of General Communication Inc. ("GCI") and I, on behalf of GCI, met separately with Christine Kurth, Policy Director and Wireline Counsel for Commissioner McDowell, and Angela Kronenberg, Wireline Legal Advisor to Commissioner Clyburn to discuss the above-captioned proceedings. On May 10, 2011, Gregory Chapados, Senior Vice President of GCI, Christopher Niernan, Megan Delany, and I met with Zac Katz, Wireline Legal Advisor to Chairman Genachowski, Sharon Gillett, Chief, Wireline Competition Bureau, Carol Matthey, Deputy Chief, Wireline Competition Bureau, Theodore Burmeister, Rebekah Goodheart, Patrick Halley, and Michael Steffen, all of the Wireline Competition Bureau to discuss the aforementioned proceedings. Attached, is a copy of the material presented during those meetings.

We discussed Alaska's extreme need for assistance in completing the buildout of 20th Century telecommunications services, as well as 21st Century services. With the universal service support and substantial private investment, GCI is bringing modern wireless services to many communities in Alaska that never before had such service. This is a major improvement in communications services and provides real public safety benefits, as residents can now easily summon assistance when away from home – such as when a snowmachine breaks down on the tundra between villages. With USF support, in addition to a RUS Distance Learning/Telemedicine grant/loan and a BIP grant/loan, GCI and its affiliates have and are constructing a microwave/fiber middle-mile transport facility to connect southwestern Alaska and Anchorage. This middle-mile network is already allowing GCI to deliver high bandwidth, low-latency connections for critical telemedicine applications such as telepsychiatry.

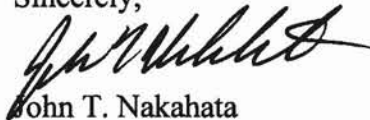
It will be extremely costly to construct the middle-mile facilities necessary to deliver modern broadband services to anchor institutions and the mass market in Alaska. As an example, GCI submitted a Round 2 BIP application for \$150 million in loan/grant funding to support a second middle-mile segment. In addition to large upfront construction costs, these networks – as well as the last-mile networks – cost millions to operate every year. Many factors contribute to Alaska's high operating costs, not the least of which are its topography, climate, and high power costs, which typically are 5 to 10 times higher than the national average. And Alaska has a population that is far too small to support the costs of these networks on their own.

Accordingly, it makes little sense to phase down high-cost support in Alaska to fund a nationwide Phase 1 Connect America Fund that, as proposed, is unlikely to provide any benefit to Alaska. A better transitional path would be to extend the Commission's tribal lands mechanism to all forms of high cost support and all ETCs serving tribal lands, and then to determine the best long-term approach to support both the deployment and operation of last-mile and middle-mile networks in Alaska.

We also discussed that, with respect to Lifeline services, a one per qualifying adult rule better recognizes the reality of wireless-only households, and the need to ensure that low-income consumers have the ability to place 911 calls in an emergency, no matter where they are located.

A copy of this letter is being filed in the above-referenced docket.

Sincerely,



John T. Nakahata
Counsel to General Communication Inc.

cc:

Zac Katz
Christine Kurth
Angela Kronenberg
Sharon Gillett
Theodore Burmeister
Rebekah Goodheart
Patrick Halley
Carol Matthey
Michael Steffen

Attachment